

SHELTER HARBOR FIRE DISTRICT

BOARD OF GOVERNORS MEETING Draft Minutes

July 15, 2016 at 8:30 a.m.

Dunn's Corners Fire Department

Station 1

1 Langworthy Road

Westerly, RI 02891

I. Call to Order and Roll Call

Tom Lloyd called the July 15, 2016 Board of Governors meeting to order at 8:30 a.m. Members present were Vivian Duff, John Bruno, Bob Hatfield, Marianne Nardone, and Michael McEntee. Rick Wiatrowski was not present at roll call, but arrived at 9:24 a.m. to join the meeting. Counsel present were Peter Ruggiero and David Petrarca. Officers Glen Berwick and Nonie Price were also present. Officer Gregory was not present.

Tom Lloyd opened the meeting asking for a motion to reorder the agenda to bring the Finance Committee and Roads Reports forward under Item VIII along with the item about the Shelter Harbor Inn under XI. B in New Business. John Bruno duly made the motion and Vivian Duff seconded. There was no discussion. All members present approved the motion.

Dick Ferris asked if he could comment on the confusion about the meeting notification. Tom Lloyd explained he thought he posted a

corrected agenda to the bulletin board within the legal timeframe and inadvertently posted the incorrect version instead. Tom apologized for his mistake and stated the official notification is on the Secretary of State website. Mr. Ferris was concerned about the posting and suggested an email blast would be a good way to tell residents of any changes made. Mr. Ferris accepted the Moderator's comments.

Dick Ferris asked for a reminder email blast for notifications of meetings.

Tom Lloyd asked Peter Ruggiero if there was a technical issue for holding the meeting. Mr. Ruggiero indicated there was no issue with proceeding.

VIII. Agent and Committee Chair Reports

G. Finance Committee Report

Mark Pratt referenced his report distributed to the Board. There were recommendations in the report about Directors and Officers (D&O) insurance and about a local contractor. The budget recommendation asked for \$228,220 for the fiscal year ending June 30, 2017. The expense budget requires a mil rate of 1.31 compared to 1.27 for the last fiscal year. The grand list has gone down as a result of Town of Westerly reassessments and the mil rate needs adjustment, as a result.

Mark needed a vote to recommend D & O insurance. He spoke with

experts and authorities on insurance as well as Peter Ruggiero, the SHFD Legal Counsel. Shelter Harbor is a quasi-municipality which reduces liability. Watch Hill carries \$1 million of D & O insurance. Mark advised that the Finance Committee recommends D & O at a limit of \$1 million dollars.

Glen Berwick spoke with Peter Burgess and George Estes, both experts in insurance. He also spoke with the Treasurer of Weekapaug regarding their insurance.

Vivian Duff had a question about the difference between Watch Hill and Shelter Harbor and respectfully disagreed with the finance committee recommendation. Vivian said, if someone sues the Board of Governors for acting in a way that results in financial loss, the D & O policy would respond. It would not respond for bodily injury or property damage.

Following discussion of D & O insurance levels and policies, Peter Ruggiero said this is a business risk decision, not a legal decision. He said Vivian is correct that the Board of Governors could get sued and the policy should have coverage for legal defense. BoG members are personally liable and the Fire District By-Laws provide indemnification for the BoG. Mr. Ruggiero added that most policies have coverage for legal defense.

In response to a question about agents being covered under the

insurance policy, Vivian Duff stated the current and past agents are covered.

Tom Lloyd asked Mark to continue with the Finance Committee recommendations.

Mark Pratt continued that for the fiscal year ending June 30, 2017, there's \$228,220 budgeted requiring a 1.31 mil rate on the current mill list with an additional amount of \$15,000 for tree trimming from the Capital Reserve.

Tom Lloyd asked for a motion to accept the recommendations of the Finance Committee for a budget to be brought to the Annual Meeting. Michael McEntee duly made the motion with John Bruno seconding. There was no further discussion. All members voted in favor and the motion carried.

VIII. Agent and Committee Chair Reports

J. Roads - Tree Trimming

Jack Waters stated there have been many requests for tree trimming. He and Tom Lloyd went around Shelter Harbor and identified areas that need work. The Finance Committee came back with a figure of \$15,000 to do the work.

Mark Pratt said that if the work could be done for less than \$15,000, it would be great, but there is enough room in the capital reserve to

allow for this expenditure.

Jack Waters identified specific tree trimming work needing to be done on Shelter Harbor roads. He provided a quote from Ocean State for \$1,450 per day and another from Palmer Tree Service for \$1,600 per day to do similar work. Jack asked Glen Berwick about the total spent in recent years. Glen replied the amount was about \$6,000.

Jack Waters recommended using Ocean State Tree, given they are the low bidder. Following questions about companies, crews, and needed tree trimming, Tom Lloyd suggested forming an ad hoc committee to determine tree work needing to be done. Tom asked Steve Sweeney, Rochelle Levins, Michael McEntee, John Bruno, and Bob Duff to be members of the ad hoc committee with Jack Waters.

Jack asked if the ad hoc committee would be able to make a recommendation for the tree trimming by the Annual Meeting.

Tom Lloyd asked Mark Pratt to speak to an issue in his report dealing with a contractor working in Shelter Harbor without liability or Workmen's Compensation insurances. Mark shared there is concern about liability for the District. Glen Berwick stated the general liability was cancelled last year. Tom asked Peter Ruggiero, if he was involved in the discussion with the Finance Committee. Mr. Ruggiero said he was involved in the discussion and recommended the Board of Governors take action.

Tom Lloyd recommended he write a letter, with Peter Ruggiero's input, giving the contractor 10 days to correct deficiencies of insurance. The Board of Governors concurred with this suggestion. A letter will be written to the contractor.

Tom spoke about Mark Pratt's work as Chairman of the Finance Committee and thanked him for serving since the inception of the Committee about 20 years ago. Tom continued that Mark's home in Shelter Harbor is for sale and as a result there is a need for a new chairperson on the Finance Committee. Tom added that it is a much easier task to take on this role now given Mark's work to establish the documents needed. Mark commented that there are also not a lot of meetings each year, generally two meetings per year.

XI. New Business

B. Shelter Harbor Inn

Tom Lloyd thanked the members of the public in attendance further stating he was hoping people would attend the meeting today to discuss this item.

Tom provided a summary of the current status of the Shelter Harbor Inn beginning by stating there have been changes at the Inn over the last five years. There's the option to do nothing, or to get involved. He continued saying, "We are all in this together," adding, "It is the beginning and important part of the neighborhood." Tom Lloyd

stated that what he was going to present today was a “concept” only and in an early stage of discussion.

Two neighbors have stepped up to say they don't want the Inn to get into the wrong hands and they'd like to purchase it. The Inn's owner has approached the two neighbors to buy the Inn. Tom said that due to the legal notice requirements for the Annual Meeting, there is a motion regarding the Inn for the Annual meeting. A motion was presented by Michael Van Vranken. To all present, Tom read the Annual Meeting motion made by Michael Van Vranken and seconded by Glen Berwick.

Tom Lloyd summarized that at the Annual Meeting residents may vote on accepting the donations of the neighbors to buy the Inn, but only to buy if the Fire District would be relieved of any expenses. An operating company would be set up to run the Inn business.

Tom asked the Board of Governors to share their thoughts before inviting public comment.

John Bruno thought it would be good to buy the Inn and if that didn't work out to have it demolished.

Vivian Duff agreed with John Bruno. She added, that as a community she'd like to see the Inn there.

Tom Lloyd said he has started a fact sheet regarding the motion to buy the Inn with answers to many frequently asked questions. Tom would like to have an informational meeting in a couple of weeks so people could hear, understand, and have their say before the Annual Meeting.

Bob Hatfield stated that it is a wonderful opportunity for the two families to step up and buy the Inn. Once questions are answered, he thinks we need to find a way to make it work.

Marianne Nardone suggested the informational meeting be on a weekend so more people could attend.

Bob Hatfield suggested sending the talking points out before the meeting.

Rick Wiatrowski asked if the two neighbor families would be present at the informational meeting. He added that he supports the purchase.

Peter Ruggiero said there is a sense of urgency with this matter.

Nonie Price stated the purchase benefits the district residents from maintaining a dignified establishment that contributes to the quality of life and the value of property residents have invested in order to be in Shelter Harbor.

Rochelle Levins said that as a member of the community, she appreciated the information and thanked all Board members for their efforts. She had a question if it meant anything for the Shelter Harbor Fire District having the right of first refusal to purchase the Inn. Peter Ruggiero answered that a right of first refusal is only good for ten years and he hasn't done any research recently to see if a right of first refusal is still in effect.

Bob Duff asked if there was a precedence for a fire district owning commercial properties. Tom Lloyd stated that Watch Hill owns 18 pieces of property. It leases commercial properties and the Watch Hill Fire District collects monies from this. There is income to the fire district in addition to taxes. This helps to keep the taxes down.

Dick Ferris thanked Tom Lloyd for his initiative. Dick said he'd been on the Board of Governors when the Vinal property issue came up and said it didn't work out as Tom Lloyd had stated. Dick thought it was an excellent thing to bring this matter to the District.

Michael Van Vranken said this has been something that's been considered. This will affect our property values and there could be other properties.

Gail Mallard said she thinks it's great if someone wants to give a gift to buy the Inn. She applauded the work of the Finance Committee.

She pointed out that the budgets distributed for previous Annual Meetings had increases of 4 to 5 percent. The budget Mark presented would only be a 1 percent increase which she thought was great and applauds it. She added that if the Board of Governors decided to go with an increase in the Directors and Officers insurance this would increase the budget to 5.5 percent. She was hoping the board would consider the residents who don't receive an increase in their income when making this decision.

Dick Ferris made a comment in regard to the Directors and Officers insurance. He shared when he was on the Board of Governors that they were individually sued by a resident. He wanted to remind the Board that there's experience being sued and they need to be aware that the Board has to defend itself. He added that if there's a suit there's a capital expenditure and then there's depreciation of the asset. He wondered if the capital reserve fund had been used to cut trees. Tom Lloyd said the capital reserve fund hadn't been used in previous years.

Dick Ferris added in regard to the Open Meeting Law referenced by Peter Ruggiero earlier in the meeting, that the public body must keep records for one year of the date the meeting was posted adding the notice of the meeting must have the day, date, time, and location. Dick asked Nonie Price to look at the law. Dick also asked if email blasts of BoG meetings could be sent.

Rochelle Levins stated that maybe the Board could negotiate with a tree person to get a better price for residents who want to do some tree work when the Shelter Harbor work is done.

Rochelle Levins stated that yesterday there was a couple walking around Shelter Harbor with clipboards. They said they were looking for Inner city kids to help them. Rochelle called the Westerly Police Department and the police found them. The couple told police they were selling books. The police told them to not return. Rochelle's concern is that there are a lot of little children in Shelter Harbor.

Harriet Lloyd stated that the members of the ad hoc committee looking at the tree situation would be advised to take a car to view trees because drivers in Shelter Harbor come around corners quickly. She thought there should be clearance at intersections and corners to avoid a tragedy. She added that there are a lot of different garbage trucks on SH roads and they're driving too quickly. She asked if it could be considered in the future to discuss having fewer garbage haulers in the district.

Tom Lloyd stated the meeting would revert to the agenda as shown.

II. Public Comment/ SHFD BOG Response

Public comment was invited during the various items discussed thus far. See above.

III. Approval of Minutes of May 28, 2016

John Bruno moved to approve the Minutes of May 28, 2016. Rick Wiatrowski seconded the motion. There was discussion. Nonie Price read an email from Mary Di Cecco regarding a correction she requested in her tennis report. Nonie said she would amend the Minutes to state that "Joe Micelli with the help of his son, Joey, would be responsible for running the tournaments." John Bruno and Rick Wiatrowski accepted the change Mary requested. All members present voted in favor of approving the Minutes with the change.

IV. Announcements

Annual Meeting Forms on Website

Nonie Price acknowledged the efforts of Bob Duff who provided an additional page on the SHFD website in the "members" section making it easier to access all Annual Meeting forms, general Minutes, and other official documents.

V. Correspondence

Mary Di Cecco- Tennis Tournaments

Read and discussed in Item III above.

Karen Apuzzo-Langton - SHFD Trading Post

Nonie Price read the email from Karen Apuzzo-Langton about considering a trading post in Shelter Harbor. Tom Lloyd asked if there was any interest in a trading post on the website where items could be put on for a finite period and it would come off later. The website

was considered as a possibility, but no decision was made. Harriet Lloyd suggested a larger, nicer bulletin board, possibly with a lock that could be kept by the person who manages postings. Peter Nardone suggested changing the location of the Bulletin Board to the Shelter Harbor field.

VI. Treasurer's Report - Report Distributed

Glen Berwick asked for a motion to have the prior fiscal year's profit moved to the capital reserve rather than undesignated surplus. John Bruno duly made the motion. The motion was seconded by Rick Wiatrowski. There was no discussion. All members present voted in favor. The motion carried.

VII. Tax Collector's Report - Report Distributed

Harry Gregory was not present. His report was distributed which indicated all taxes have been collected and accounted for.

VIII. Agent and Committee Chair Reports

A. Beach - No Report

Vivian Duff stated everything is running well and so far we have had a good summer. Tom Lloyd thanked her for organizing a beach bus the District could have and afford.

B. Beanpot - No Report

C. By-Laws - No Report

D. Community Events - No Report

Marianne Nardone wanted to thank all coordinators who helped with 4th of July events! The next meeting will be the Adult Cocktail Party on the 22nd of July.

E. Database - No Report

F. Directory - No Report

Liz Miller was going to ask the community about options for receiving the Directory. One option is having a digital directory. She has presented several options in her report for the Annual Meeting.

G. Finance - Report Distributed

This item was discussed earlier in the meeting.

H. Harbor Master - No Report

John Bruno said the Westerly Harbor Management Commission hasn't met recently as a result of a technicality regarding moorings in Watch Hill as Watch Hill harbor is a federal waterway. Tom Lloyd asked John to speak with Peter Ruggiero about updates.

Small Boat Racks - No Report

I. Public Access Defibrillator - No Report

John Bruno suggested retrieving the defibrillator from the Inn to place it elsewhere.

J. Roads - No Report - Tree Trimming

This item was brought forward in the agenda. See above.

K. Safety and Security - No Report

L. Tennis - Report Distributed

Mary Di Cecco has not been able to get repairs done, but the funds are still there for this purpose. This work will be done by Mr. Fealy, who will also do the power washing. She has been waiting for an estimate from Roland about the steps to the court.

M. SHFD Website - No Report

Bob Duff was present at the meeting stating the website is up to 113 registrants.

X. Old Business

A. Fire Protection Contract

Tom Lloyd was invited to meet with the DCFD operating committee one more time. At the end of the discussion, the SHFD was offered a contract which Tom recommended the District accept. The contract is a six-year contract.

The highlights of the contract are; an administrative discount of four percent and a 3-year, \$3,500 deduction due to not giving the SHFD a notice of contract. Glen Berwick said it is essentially a seven percent decrease. This contract gives the SHFD the ability to budget. This contract will be retroactive to June 1, 2015.

Tom Lloyd asked for a motion to sign and approve the contract. Vivian Duff seconded. There was no further discussion. All members present voted in favor and the motion carried.

B. Directors and Officers Insurance

Tom Lloyd stated there's a recommendation from the finance committee (see above).

The BoG discussed the levels of insurance and decided that this item will be on the agenda for a future BoG meeting.

XI. New Business

A. Annual Meeting Information:

1. Voter Registration for 2016

Nonie Price shared the status of the voter registration. Over 110 of over 300 possible voters have registered to receive official District communication by email. Residents can complete forms at SH events. Forms can also be obtained on the website, witnessed by a notary and sent to Nonie Price, Clerk, by USPS to the address on the form.

2. Agenda

The agenda has been formalized and is ready for distribution to SHFD residents.

B. Shelter Harbor Inn – Discussion and possible vote to authorize the

purchase of the sale of the Shelter Harbor Inn to the Shelter Harbor Fire District

This item was brought forward in the agenda. See above.

XII. Public Comment/ SHFD BOG Response

John Bruno made a Motion to the Annual Meeting rather than pursue the issue at BoG meetings. John Bruno shared the motion he made for the Annual Meeting. He worked with Peter Ruggiero to add language to Section 16 of the By-Laws, "or as otherwise determined by action of the Board of Governors." This would allow the Board of Governors the ability and flexibility to decide how to address substandard lots and use of amenities. Tom Lloyd added that this section of the By-Laws has probably not been reviewed since written.

XIII. Adjournment

John Bruno made a motion to adjourn the meeting of the SHFD Board of Governors at 12:15 p.m. Marianne Nardone seconded the motion. There was no discussion. All members present voted in favor.

Recorded by,

Nonie Price, Clerk

Clerk's Note:

Since the July 15, 2016 meeting, the concept of the purchase of the Shelter Harbor Inn has changed dramatically and the new course is not reflected in these minutes. The Annual Meeting motion as presented, will likely be withdrawn.